



FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF GENERAL COUNSEL

**memorandum**

TO: Chief, Wireline Competition Bureau  
Chief, International Bureau  
Chief, Wireless Telecommunications Bureau

FROM: *DMA*  
Daniel M. Armstrong  
Associate General Counsel

SUBJECT: *Margaret F. Snyder v. FCC* (Case No. 04-1022) and *Office of Communication of the United Church of Christ, Inc. v. FCC* (Case No. 04-1026). Filing of two Notices of Appeal in the United States Court of Appeals for the District of Columbia Circuit.

DATE: January 26, 2004

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This is to advise you that on January 16, 2004, Margaret F. Snyder and the Office of Communication of the United Church of Christ, Inc. filed two Notices of Appeal to the D.C. Circuit pursuant to 47 U.S.C. § 402(b) of the following order: *WorldCom, Inc. and its Subsidiaries (debtors-in-possession), Transferor, and MCI, Inc., Transferee, Applications for Consent to Transfer and/or Assign Section 214 Authorizations, Section 310 Licenses, and Submarine Cable Landing Licenses*, Memorandum Opinion and Order, WC Docket No. 02-215, FCC 03-319 (rel. Dec. 19, 2003).

Appellants challenge the Commission's decision consenting to the various FCC authorizations held by WorldCom, Inc. as the "debtor-in-possession" in the WorldCom Chapter 11 bankruptcy cases, to MCI, Inc., a newly formed entity to operate the authorizations after emerging from bankruptcy. The Commission concluded that the consent to the assignments and transfers of control was in the public interest under the *Second Thursday* doctrine. Specifically, the Commission found that since petitioning for bankruptcy, the WorldCom debtor-in-possession has "aggressively rid itself of the individuals who allegedly committed acts of corporate fraud, and has substantially reformed the corporate structures and policies that enabled such alleged fraud to occur." *Order*, ¶ 2. The Commission concluded that permitting the newly formed MCI, Inc. to hold the assets post-bankruptcy would not benefit the alleged wrongdoers in the pre-bankruptcy WorldCom, and would serve the public interest in facilitating a telecommunications service provider's successful emergence from bankruptcy. *Id.* at ¶¶ 29-31. The Commission determined that no evidentiary hearing was required before granting its consent. *Id.* at ¶ 27.

The appellants challenge the Commission's decision as arbitrary and capricious, alleging that the Commission could not resolve the matter without a hearing or investigation, and that the Order is contrary to the public interest.

The Court has docketed these cases as Nos. 04-1022 and 04-1026. The attorney assigned to handle the litigation of these cases is Stewart A. Block.